

Effective 3/22/2022

Part 8
Higher Education Student Success Endowment

53B-7-801 Definitions.

As used in this part, "endowment" means the Higher Education Student Success Endowment created in Section 53B-7-802.

Amended by Chapter 374, 2023 General Session

53B-7-802 Higher Education Student Success Endowment.

- (1) There is created the Higher Education Student Success Endowment.
- (2) The endowment consists of:
 - (a) the proceeds from divestment of the dissolved Utah Higher Education Assistance Authority's loan portfolio;
 - (b) appropriations made to the endowment by the Legislature, if any;
 - (c) income from the investment of the endowment; and
 - (d) other revenues received from other sources.
- (3) The board shall account for the receipt and expenditures of endowment money in accordance with the policies and guidance of the Division of Finance.
- (4)
 - (a)
 - (i) The state treasurer shall invest the endowment money with the primary goal of providing for stability, income, and growth of the principal.
 - (ii) The state treasurer may deduct any administrative costs incurred in managing endowment assets from earnings before distributing the earnings.
 - (b) Nothing in this section requires a specific outcome in investing.
 - (c) The state treasurer may employ professional asset managers to assist in the investment of assets of the endowment.
 - (d) The state treasurer may only provide compensation to asset managers from earnings generated by the endowment's investments.
 - (e) The state treasurer shall invest and manage the endowment assets as a prudent investor would, by:
 - (i) considering the purposes, terms, distribution requirements, and other circumstances of the endowment; and
 - (ii) exercising reasonable care, skill, and caution in order to meet the standard of care of a prudent investor.
 - (f) In determining whether or not the state treasurer has met the standard of care of a prudent investor, the judge or finder of fact shall:
 - (i) consider the state treasurer's actions in light of the facts and circumstances existing at the time of the investment decision or action, and not by hindsight; and
 - (ii) evaluate the state treasurer's investment and management decisions respecting individual assets not in isolation, but in context of an endowment portfolio as a whole as a part of an overall investment strategy that has risk and return objectives reasonably suited to the endowment.
- (5)
 - (a) The endowment shall earn interest.

- (b) The state treasurer shall deposit the interest or other revenue earned from investment of the endowment into the endowment.
- (6) The board:
 - (a) may expend money from the endowment for programs that:
 - (i) advance the system priorities as established in Subsection 53B-1-402(2)(a); and
 - (ii) support prospective students or current students enrolled at an institution, as described in Section 53B-2-101; and
 - (b) may not expend money from the endowment for a capital expenditure, including the construction or lease of a capital facility or operation and maintenance of a capital facility.
- (7) The board shall ensure that:
 - (a) money deposited into the endowment is irrevocable and is expended only for programs that advance the system priorities as established in Subsection 53B-1-402(2)(a); and
 - (b) creditors of the board of directors may not seize, attach, or otherwise obtain assets of the endowment.

Amended by Chapter 374, 2023 General Session

53B-7-803 Board duties.

- (1) The board shall:
 - (a) act as trustee of the endowment and exercise the state's fiduciary responsibilities;
 - (b) meet at least twice a year to conduct business on behalf of the endowment;
 - (c) review and approve all endowment policies, projections, rules, criteria, procedures, forms, standards, and performance goals;
 - (d) review and approve the budget and expenditures for the endowment in accordance with Section 53B-7-802;
 - (e) review financial records for the endowment, including endowment receipts, expenditures, and investments; and
 - (f) take any other action necessary to perform the board's fiduciary obligations.
- (2) The board shall annually submit a budget and expenditures to the Higher Education Appropriations Subcommittee no later than November 1.

Enacted by Chapter 186, 2022 General Session

53B-7-804 State grants to the authority.

To the extent otherwise allowed, a state entity may grant money or property to the endowment.

Enacted by Chapter 374, 2023 General Session

53B-7-805 Gifts to the endowment.

A person may make a contribution, gift, grant, bequest, or devise, or loans to the endowment.

Enacted by Chapter 374, 2023 General Session